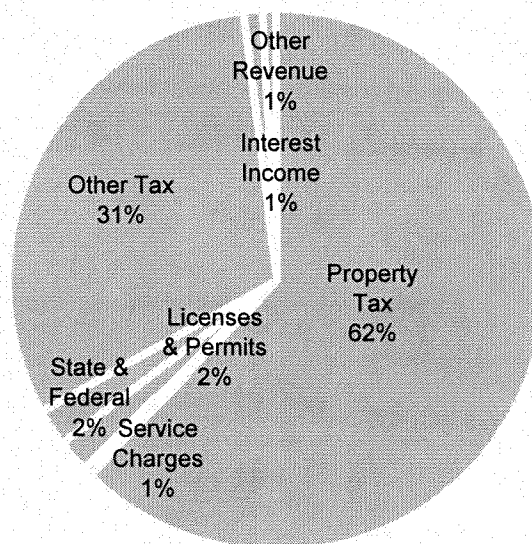
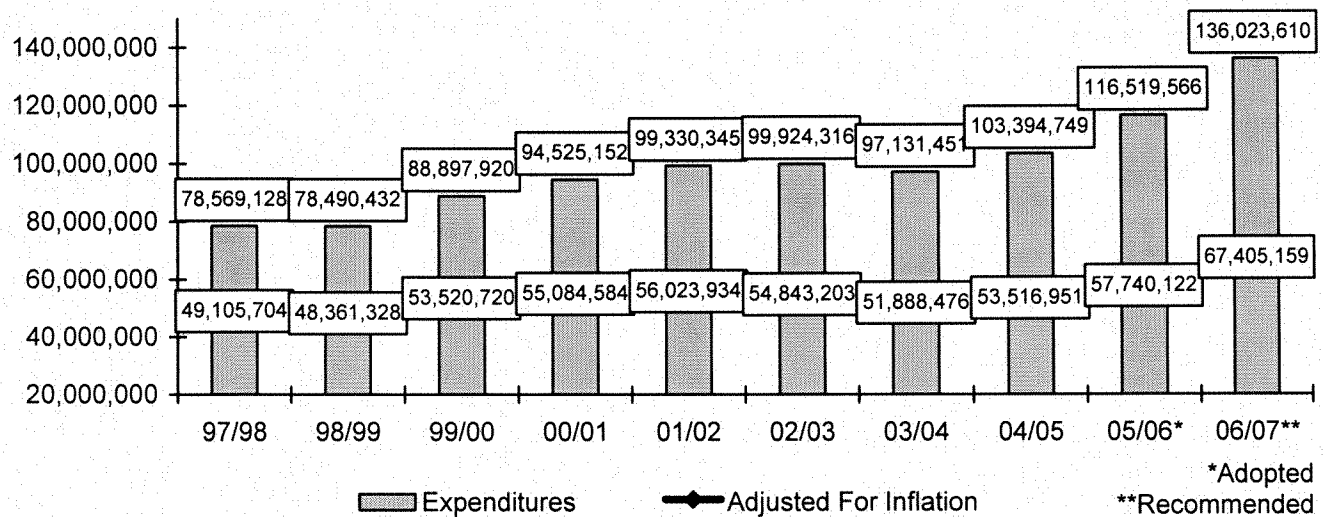


**PURPOSE STATEMENT**

This budget unit acts as the receiving budget for all revenues received by the County which are not generated as a result of departmental activities.

<u>Financial Summary</u>	<u>2005-06 Budget</u>	<u>2005-06 Projected</u>	<u>2006-07 Requested</u>	<u>2006-07 Recommended</u>	<u>Change From 2005-06</u>
Revenues	\$116,519,566	\$129,644,908	\$136,023,610	\$136,023,610	\$ 19,504,044
Services and Supplies	0	0	0	0	0
**Gross Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Less Intrafund Transfers	0	0	0	0	0
**Net Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
General Fund Support (G.F.S.)	<u>\$(116,519,566)</u>	<u>\$(129,644,908)</u>	<u>\$(136,023,610)</u>	<u>\$(136,023,610)</u>	<u>\$(19,504,044)</u>

**Source of Funds**

**10 Year Expenditures Adjusted For Inflation****COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS**

This budget unit receives all General Fund revenues not directly attributable to any single department's operation. The largest of these discretionary revenues include property tax, property tax in-lieu of vehicle license fees, sales tax, transient occupancy tax and property transfer taxes.

Overall, non-departmental revenue is recommended at \$136 million, an increase of over \$19.5 million or 16% compared to the current year.

This significant increase is a result of a number of events:

- The state is returning a portion of property tax revenue that it had diverted to help balance the state budget over the past two years. Under the provisions of Proposition 1A, local government will no longer be required to transfer additional property tax revenue to the state under the Educational Revenue Augmentation Fund (ERAF III). This results in an increase of \$2.3 million in property tax revenues.
- Property Tax in Lieu of Vehicle License Fees is estimated to increase by over \$5.8 million or 30%. We receive estimates from the state for this revenue source. The state underestimated VLF for the prior year so our current year budgeted amount was low by approximately \$2.6 million. Correcting for the low estimate and adding the estimated growth for next year yields a larger increase than is expected in future years.
- Property Tax Revenue (current secured) is estimated to increase by \$8.5 million or 11%. The hot housing market continues although there are signs of a slowdown. It is doubtful that double-digit percentage increases will continue and we expect that future year increases between 7-9% are more realistic.